



Centre for ISA Information Sheet 12

Corporate Responsibility (CR) tools and frameworks, indices and ratings, standards and calculators

Category	Description	Processes (principles, policies and procedures)				Practical outcomes (impacts and outcomes of corporate governance systems)				
		TBL: Social		TBL: Economic	TBL: Environmental	TBL: Social/Economic			TBL: Economic	TBL: Environmental
		Social	Ethical	Economic	Environmental	Human Rights	Society	Work Place	Market Place	Environment
Questionnaires		<p><i>Corporate Governance</i>: a company's principles and guidance policies and procedures related to assessment of risk and optimisation of performance; management systems</p>				<p><i>Corporate Social Responsibility (CSR)</i>: environmental impacts, labour practices, demonstrated responsibility to the broader society (Corp Rate, 2004); "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." (World Business Council for Sustainable Development, 2002, http://www.wbcsd.org/)</p>				
Corporate Responsibility Exchange (CRE)	The Corporate Responsibility Exchange (CRE) is an online tool for the reporting of corporate governance and corporate social responsibility information. Enables companies to input data once only to disclose against a number of codes and rating systems including: GRI, BITC, FTSE4 Good.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global Reporting Initiative (GRI) Sustainability Reporting Guidelines launched 2002	Joint initiative of UN and US Coalition for Environmentally Responsible Economies to improve the quality of sustainability reporting. Core guidelines & sector supplements; technical protocols on indicator measurement for onsite audit and guidelines on defining boundary of responsibility	✓	✓ (responsibility, expertise, transparency, accountability, independence of Board, performance of Board, remuneration of Board)	✓ (rights of shareholders; processes to include minority shareholders; risk management)	✓	✓	✓	✓	✓	✓

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		Corporate Governance: a company's principles and guidance policies and procedures related to assessment of risk and optimisation of performance; management systems				Corporate Social Responsibility (CSR): environmental impacts, labour practices, demonstrated responsibility to the broader society (Corp Rate, 2004); "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." (World Business Council for Sustainable Development, 2002, http://www.wbcsd.org/)				
BL3 software, developed by the University of Sydney http://www.isa.org.usyd.edu.au/ and Dipolar Pty Ltd http://www.bottomline3.com/	BL3 provides a triple bottom line management framework and monitoring tool with an extensive suite of indicators. BL3 takes your organisation's financial accounts, together with on-site impact data, as input. Your supply chain impacts, such as emissions, are calculated by allocating your organisation's expenditure across a breakdown of sectors of the national economy. BL3 adds the depth of the full supply chain to the GRI's breadth of onsite indicators.						✓	✓	✓	✓
Australian Stock Exchange (ASX) http://www.asx.com.au/supervision/governance/	Corporate governance council: ten generic principles of good governance		✓ (integrity, responsibility; serving interest of all stakeholders)	✓ (rights of shareholders; risk management; rewards)						
Investment and Financial Services Association (IFSA) http://www.ifsa.com.au/	Australian not-for-profit organisation: best practice guidelines for Corporate Governance		✓ (responsibility, transparency, accountability, independence of Board, Performance of Board, remuneration of Board)	✓ (shareholder interests, financial management, performance and reporting, risk assessment)						





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		Social	Ethical	Economic	Environmental	Human Rights	Society	Work Place	Market Place	Environment
		Corporate Governance: a company's principles and guidance policies and procedures related to assessment of risk and optimisation of performance; management systems				Corporate Social Responsibility (CSR): environmental impacts, labour practices, demonstrated responsibility to the broader society (Corp Rate, 2004); "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." (World Business Council for Sustainable Development, 2002, http://www.wbcsd.org/)				
Tools & frameworks										
OECD Principles of Corporate Governance (2004) http://www.oecd.org/dataoecd/32/18/31557724.pdf	Non-binding principles of corporate governance		✓ (role of stakeholders; disclosure and transparency; responsibilities of the board)	✓ (rights and equitable treatment of shareholders)						
OECD Key Environmental Indicators (2004) http://www.oecd.org/department/0,3355,en_2649_34441_1_1_1_1_1,00.html	A common approach and framework for developing, measuring and using environmental indicators: core environmental indicators (CEI); sectoral environmental indicator sets (SEI) (e.g. transport, energy); a small set of key environmental indicators (KEI).									✓
Global Corporate Governance Forum (GCGF) http://www.gcgf.org/	Funding sources include World Bank and OECD. Mission to help countries improve standards of governance. Provides forum for exchange of good practice	✓ (responsibility)	✓ (fairness)	✓ (enterprise and accountability)						
Ecological Footprint Network founded 1995 http://www.footprintnetwork.org	Ecological Footprint Network: measures the land and water area that is needed by a nation, population, company, city, region or individual to produce all the resources it consumes, and absorb all the waste it generates on a continuous basis, using available technology. Calculates the Ecological Footprint using aggregate national data (compound approach). Suggests that humanity's average ecological footprint measures 2.3 hectares of ecologically productive space. In contrast only 1.7 hectares per person is available. Originally a fairly blunt measure but powerful metaphor, effective in shocking into action. Becoming a more and more sophisticated tool, as the methodology evolves.									✓
Integrated Sustainability Analysis (ISA) founded 2000 www.isa.org.usyd.edu.au	University of Sydney: macro, Input Output Analysis (IOA) approach provides depth to complement the audit (onsite) approach taken by, for example, the GRI. IOA approach includes the full upstream supply chain — provides the true bottom line by solving the boundary issue. Now working in cooperation with the Ecological Footprint Network to produce a powerful hybrid methodology.					✓	✓	✓		✓

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		TBL: Social		TBL: Economic	TBL: Environmental	TBL: Social/Economic			TBL: Economic	TBL: Environmental
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Life Cycle Analysis (LCA) or Cradle to Grave approach	Measurements throughout the manufacture of a product: mining of the raw materials used in production and distribution, through to use, possible re-use or recycling, and eventual disposal. LCAs enable a manufacturer to quantify the energy and raw materials used, and how much solid, liquid and gaseous waste is generated, at each stage of the product's life; doesn't necessarily look at second generation impacts, such as the energy required to fire the bricks used to build the kilns used to manufacture the raw material.									✓
Indices & ratings										
FTSE4Good (launched 2001) http://www.ftse.com/ftse4good/index.jsp	Index of SR companies drawn from: FTSE-All Share Index (UK); FTSE All-World Developed Index (Global). Tool for Socially Responsible Investors (SRI) to identify companies that meet corporate responsibility standards					✓ (labour standards in the supply chain)	✓	✓ (developing positive relationships with stakeholders)		✓ (environmental sustainability – aligned with requirements of CRI)
Business in the community (BITC) Corporate Responsibility Index (CRI) http://www.bitc.org.uk/index.html#story1	Since 2002, UK online survey to find the top 100 Companies that Count in association with the Sunday Times. Companies invited to participate inc: FTSE100 & 250; lg. non-FTSE listed BITC members; sector leaders from the Dow Jones Sustainability index						✓ (community)	✓	✓	✓ (requirements aligned with FTSE4Good)
Business in the Community Environment Index http://www.bitc.org.uk/take_action/in_the_environment/	Since 1995 UK. Questionnaire measures environmental management and performance. Companies invited to participate inc: FTSE100 & 250; non-FTSE listed BITC members; sector leaders from the Dow Jones Sustainability index				✓					✓



CARBON FOOTPRINT





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		TBL: Social		TBL: Economic	TBL: Environmental	TBL: Social/Economic			TBL: Economic	TBL: Environmental
		Social	Ethical	Economic	Environmental	Human Rights	Society (community)	Work Place	Market Place	Environment
Indices & ratings		Corporate Governance: a company's principles and guidance policies and procedures related to assessment of risk and optimisation of performance; management systems				Corporate Social Responsibility (CSR): environmental impacts, labour practices, demonstrated responsibility to the broader society (Corp Rate, 2004); "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." (World Business Council for Sustainable Development, 2002, http://www.wbcsd.org/)				
Australia Corporate Responsibility Index (CRI); launched 2004 http://www.corporate-responsibility.com.au/	BITC online survey donated under licence to Australia; managed by St James Ethics Centre, in association with <i>The Sydney Morning Herald & The Age</i> & supported by Ernst & Young, Business council of Australia members and top 250 Companies invited to participate; 34 companies participated in 2006, up from 26 in 2004.						✓ (community)	✓	✓	✓
Governance Metrics International (GMI) http://www.gmiratings.com/(kvkzkpns14hks4ucqluluhih)/Default.aspx	Independent agency focused on corporate accountability. Ratings criteria based on OECD code and others; In 2003 GMI rated companies on the ASX50 index; ratings used by pension funds, mutual funds etc		✓	✓						
Corp Rate (Aus, 2004) http://www.acfonline.org.au/uploads/res/res_corp_rate_report.pdf	Report compiled by Oxfam (social performance), Australian Consumers' Association (corporate governance) and Australian Conservation Foundation (environmental performance) to provide corporate ratings for ASX 2003 top 50	✓	✓	✓	✓	✓ (social performance)	✓ (social performance)	✓ (social performance)		✓
Reputex http://www.reputex.com.au/	Independent ratings agency for Social Responsibility Ratings; modelled on standard credit rating systems; conducts annual rating of Australia's Top 100 organisations; aligned with GRI principles.	✓ (policies)	✓ (transparency, management, ethics)	✓ (risk reporting)	✓ (operations, policies, procedures)		✓ (products and services)	✓ (OH&S, culture, diversity)	✓ (products and services)	✓

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Standards		Corporate Governance: a company's principles and guidance policies and procedures related to assessment of risk and optimisation of performance; management systems				Corporate Social Responsibility (CSR): environmental impacts, labour practices, demonstrated responsibility to the broader society (Corp Rate, 2004); "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." (World Business Council for Sustainable Development, 2002, http://www.wbcsd.org/)				
Standards Australia http://www.standards.org.au/	(Trading name of Standards Australia International Limited) Australian national standards body; independent, non-gov; not-for-profit organisation. Represents Australia on International Organisation for Standardisation ISO									
Standards Australia: Australian Standards on Corporate Governance (AS8000 – 8004)	Generic system of governance suitable for a wide range of entities. Standards are non-prescriptive; designed as framework for small, large, public, private and not-for-profit organisations.		✓ (codes of conduct; whistleblower protection; principles)	✓ (fraud and corruption)			✓ (corporate social responsibility)			
International Organisation for Standardisation	http://www.iso.org/iso/home.htm (ISO from the Greek isos, meaning "equal") world's largest developer of technical standards; non-government organisation made up of the national standards institutes of 146 countries with a Central Secretariat in Geneva. Standards are voluntary but individual nations may build them into regulatory frameworks									
ISO 14000 series (e.g. 14001 environmental management systems; 14040 environmental management – Life cycle assessment – Principles and framework)	Collection of voluntary standards to assists large organisations and small and medium-sized enterprises (SMEs), to achieve environmental and financial gains through the implementation of effective environmental management; include guidelines to ensure environmental issues are considered in decision making.				✓					
1998 USA Social Accountability International (SAI) SA8000 http://www.sa-intl.org/index.cfm?fuseaction=Page.viewPage&pageld=472	Non-profit organisation whose role is to develop, implement and monitor social accountability standards					✓ (labour rights)		✓ (OH&S; freedom of association, collective bargaining, discipline and punishment, working hours)		



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AccountAbility: Institute of social and ethical accountability UK Assurance standard AA1000 (launched 2003) http://www.accountability21.net/	International, not-for-profit, professional institute for 'promotion of social, ethical and overall organisational accountability'. AA1000 framework: stakeholder engagement process that generates indicators, targets, and reporting, designed to complement the GRI Reporting Guidelines. AA1000 standard: assurance standard for social and sustainability reporting.	✓	✓	✓	✓					
Online calculators										
Economic Input Output Life Cycle Assessment	http://www.eiolca.net/index.html Online calculator that "allows you to estimate the overall environmental impacts from producing a certain dollar amount of any of 500 commodities or services in the United States." Provides "rough guidance on the relative impacts of different types of products, materials, services, or industries with respect to resource use and emissions throughout the U.S."									✓
The Australian Greenhouse Calculator, 2002	http://www.epa.vic.gov.au/GreenhouseCalculator/calculator/default.asp Online calculator developed by EPA Victoria to check your annual greenhouse gas emissions against a 'typical' house and a 'green' house.									✓
ISA Greenhouse gas calculator	http://www.isa.org.usyd.edu.au/ Online calculator developed by the Centre for Integrated Sustainability Analysis (ISA) University of Sydney. Uses input/output analysis methodology. Calculates the amount of greenhouse gases emitted to support your lifestyle. Provides comparison with the average Australian and the average person in India. Calculates your "fair share" of global greenhouse gas emissions.									✓ (ghg)
Eco'tude The Power house Museum, Sydney	http://www.powerhousemuseum.com/ecotude/calc.asp Online footprint calculator for use in schools. The eco'tude calculator asks questions about school and uses the answers to make an estimate of the school's ecological footprint – the total amount of land disturbed by activities at the school.									✓

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Australian Conservation Foundation Consumption Atlas	http://www.acfonline.org.au/consumptionatlas/ Interactive online tool developed in partnership with the University of Sydney. Shows patterns of consumption and environmental impact across Australia. Illustrates how much water and land is needed, and how much greenhouse pollution is created, to support household consumption. Based on (1) input-output analysis of the interdependencies and material flows between Australian industries; and (2) household expenditure data collected by the Australian Bureau of Statistics. By matching the expenditure data with the results of the input-output analysis for various categories of goods and services, it is possible to assess the per capita environmental impacts of household consumption at the level of local statistical areas in Australia.									✓ (water, land, ghg)
Department of the Environment and Water Resources, 2007. Household, office and hospitality greenhouse gas calculators	http://cc-calc.greenhouse.gov.au/Content/Home.aspx Part of the 2007 Federal Government's Climate Clever campaign; determines the amount of greenhouse gas emissions produced by your household or small business over the past year. Underpinned by Sydney University's Integrated Sustainability Analysis (ISA) methodology									✓ (ghg)

Further reading

Sustainability: A guide to Triple Bottom Line Reporting (Aus, Group 100, 2003) <http://www.group100.com.au/> also <http://www.partnerships.gov.au/links/triple.htm> Group 100 (association of senior accounting and finance executives rep major Australian companies and gov enterprises) with support from *Ernst & Young*. A guide for senior executives. Report covers: definition; trends; benefits of reporting (business case); GRI and Australian frameworks; implementation; metrics and performance indicators; verification, auditing, standards (inc AA1000 Assurance Standard)

Triple Bottom Line Reporting in Australia: Making it Tangible (Dahle Suggett & Ben Goodsir, 2002) http://www.allenconsult.com.au/resources/TBL_part1.pdf Study funded by: Prime Minister's Community Business Partnership; Dept of Industry, Tourism and Resources; Environment Australia; Cisco Systems. Prepared by the Allen Consulting Group. Explores existing practice in 29 Australia and 7 overseas companies. Report covers: definitions; how TBL works; business priorities and drivers; reporting and examples; principles; involvement of stakeholders; indicators: principles for developing indicators, GRI, environmental, examples of reporting, social, examples, economic, examples, verification; benefits of TBL reporting; strategies for moving on.

Corporate Sustainability – an Investor Perspective The Mays Report (2003) <http://www.environment.gov.au/settlements/industry/finance/publications/mays-report/pubs/mays-report.pdf> Study conducted by Shaun Mays (with assistance from BT Financial Group-Governance Advisory Service) for the Australian Department of Environment and Heritage. Steering committee: ABN AMBRO Morgans; AMP Henderson Global Investors; BT Financial Group: IAG; INVESTA Property Group; Sustainable Assets Management. Report in two parts: part one the drivers behind corporate sustainability; part two 10 case studies of corporate sustainability. Key findings: sustainability behaviours add value to an organisation's commercial endeavour – make good business sense; sustainability is a useful device for managing intangible assets (brand, reputation); need a common understanding of sustainability principles in order to reap potential benefits of sustainability reporting (can otherwise be undersold).

Balancing Act: A Triple Bottom Line Analysis of the Australian Economy (2005) <http://www.isa.org.usyd.edu.au/publications/index.shtml> Study conducted by CSIRO and The University of Sydney's Integrated Sustainability Analysis team funded by the Australian Department of Environment and Heritage. Report covers an overview of the Australian economy using a set of ten environmental, social, and financial indicators. The environmental indicators are water use, land disturbance, greenhouse emissions and energy use; the social indicators are employment, government revenue and income; and the financial indicators are operating surplus (or profits), exports and imports. Balancing Act tells us how much energy, water, land, employment (and so on) is embodied in every dollar in the Australian economy. The report is a resource for government and corporate decision-makers, as well as individual consumers. Balancing Act reveals some of the social and environmental implications of financial flows in the economy, and provides an indication of the resource intensity of different goods and services. It facilitates more informed decision making, and direction for further research. By identifying direct effects (within the farm or factory fence) as well as the indirect effects (in the full supply chain) the methodology shows us where environmental, social and economic impacts occur across the full production chain. This can highlight opportunities to increase benefits and reduce adverse impacts through individual and collective action.

The Living Planet Report WWF (2006) http://www.panda.org/news_facts/publications/living_planet_report/index.cfm WWF's periodic update on the state of the world's ecosystems. Report covers the changing state of global biodiversity and the pressure on the biosphere arising from human consumption of natural resources.



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